

Policy: AD 06-45
Policy Title: Purchasing Policy
Policy Purpose: Set forth guidelines for departmental purchasing
Implementation Date: 10/25/2006
Revision Date: N/A

**TOWN OF WESTFIELD
PUBLIC WORKS DEPARTMENT
PURCHASING POLICY**

This policy has been created to set forth guidelines that shall be followed when purchasing is conducted within the department. The Westfield Public Works Department (WPWD) shall conduct its purchases of goods and services in accordance with generally accepted purchasing practices including, whenever possible and practical, the competitive process through competitive bidding, request for proposals, quotation, or direct purchasing methods.

Competitive Bidding

When making a purchase of supplies expected to be more than \$75,000, the department is bound by the statutory procedures for competitive bidding, absent a statutory exception. Therefore, the first thing that should happen is a notice must be given that such purchase is being contemplated. Next, invitations for bids must be made, including specifications, contract terms, evaluation criteria, details of the bid opening, whether financial responsibility is required and whether discussions will be held with the bidders (See, Indiana Code 5-22-7-2). There is no requirement that the bid and price be read out loud, but there must be a witness when the bid is opened. The purchasing agent must maintain bid information, including the name of each bidder and the amount, for public inspection after each contract award.

A contract must be awarded to the lowest responsible and responsive bidder, with reasonable promptness. If the lowest responsible and responsive bidder is not awarded the contract, the purchasing agent must give justification as to why and keep a record. One justification might be that the bidder was unresponsive. Appropriate factors to determine responsiveness include: meeting specifications, compliance with instructions, and compliance with all statutes, ordinances, and rules. Another justification might be if the bidder were not responsible. An offeror that is a foreign corporation must be registered with the Indiana Secretary of State to do business in Indiana in order to be considered responsible. Appropriate factors to determine responsibility include: the ability and capacity to perform the work, integrity, character and reputation of the bidder, competence and experience. The department shall be very careful in declaring any business as not responsible. Much documentation and first hand knowledge must be available before suggesting any business is not responsible.

All bids received by the department shall require all offeror's to provide evidence of financial responsibility in order to be considered responsible. Evidence of financial

responsibility may be a bid bond or certified check in an amount no greater than ten percent (10%) of the contract price.

All bids can be rejected. Additionally, during the process of accepting the bid and formalizing the contract, the offeror must file an affirmation of noncollusion, stating that he or she has not attempted to prevent others from making an offer, and that the offer is not being made with reference to any other offer. If a bid is found to be collusive it must be rejected. Additionally, if a contract is awarded, and the department later discovers that the offeror's noncollusion affirmation was false, the purchasing agent must declare the contract forfeited and award a new contract.

Small Purchases

When the expected purchase price is between \$25,000 and \$75,000 it will be classified under the purchasing statute as a "small purchase". In such instances, the department's purchasing agent must solicit three quotes and award the contract to the lowest responsible and responsible quoter. Any purchase expected purchase price below \$25,000 dollars shall follow the department's policy as stated below.

Purchases between \$1 and \$25,000

All purchases made within the department that are less than \$25,000 shall comply with the Small Purchase requirement listed above. Any exception to this practice must be agreed upon by the Director of the department in writing.

Alternative Purchasing Methods

Alternative purchasing methods than those listed above do exist, however they shall only be utilized upon approval from the legislative body of the department. In such cases, the department Director and/or Town Manager will solicit the legislative body for approval.

Special Purchasing Methods

A special purchase may be made in the case of true emergencies, which means a threat of public health, safety or welfare. Procrastination does not constitute an emergency. Additional opportunities exist for special purchasing, however all special purchasing requests and/or opportunities must be approved by the Director prior to execution.



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